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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re patent application of: ) Date: February 17, 2005  
Thomas J. Foth, et al. ) Attorney Docket No.: F-206  
Serial No.: 09/704,864 ) Customer No.: 00919  
Filed: November 2, 2000 ) Group Art Unit: 3621  
Confirmation No.: 5186 ) Examiner: Pierre E. Elisca  
Title: **A VIRTUAL BOOKSHELF FOR ONLINE STORAGE USE AND SALE  
OF MATERIAL**

**TRANSMITTAL OF APPEAL BRIEF (PATENT APPLICATION 37 CFR 1.192)**

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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

Transmitted herewith in **triplicate** is the **APPEAL BRIEF** in the above-identified patent application with respect to the Notice of Appeal filed on January 10, 2005.

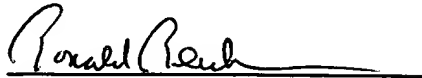
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Respectfully submitted,



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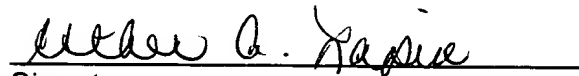
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February 17, 2005  
Date



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) Attorney Docket No.: F-206

Thomas J. Foth, et al.

) Group Art Unit: 3621

Serial No.: 09/704,864

) Examiner: Pierre E. Elisca

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OF MATERIAL**

**APPELLANTS' BRIEF**

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P.O. Box 1450  
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Sir:

This brief is in furtherance of the Notice of Appeal filed in this case on January  
10, 2005.

**This Brief is transmitted in triplicate.**

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Name of Rep.

Esther A. Lapin  
Signature

February 17, 2005  
Date

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**I. REAL PARTY IN INTEREST**

Pitney Bowes Inc. is the real party in interest by way of assignment from the Appellants.

**II. RELATED APPEALS AND INTERFERENCES**

There are no related Appeals or Interferences.

**III. STATUS OF CLAIMS**

- A. Claims 1-19 are in the application.
- B. Claims 1-19 are rejected.
- C. Claims 1-19 are on appeal.

**IV. STATUS OF AMENDMENTS**

An Amendment subsequent to the October 12, 2004, Final Office Action was filed on November 17, 2004. This Amendment was not entered.

**V. SUMMARY OF INVENTION**

**A. Background**

**The prior art does not provide for a “virtual bookshelf” in a digital rights management system and method that automatically backs up the consumer’s material when it is downloaded at a site remote from the consumer.**

In the past, literary and dramatic, musical, motion picture and photographic works were fixed in tangible forms commonly known as books. Musical works were recorded on records, tapes or compact disks, and motion pictures were recorded on film, tape or disk. Photographs were printed on paper, which may have been bound into books. The literary works, dramatic works, musical works, motion pictures, and photographs were tangible items that could be seen with the naked human eye and stored in book

shelves. When the possessor of any one of the above items wanted to use one of the items, the possessor would go to the book shelf and retrieve the item.

In today's society, with the proliferation of personal computers and the ability to easily connect to the Internet, people have the ability to download literary works, dramatic works, musical works, motion pictures, and photographs from an Internet site to their computer. In some instances, the consumer owns one copy of the downloaded material and in other instances, the consumer may only have certain specified rights to use the downloaded material, i.e., for his/her own use, to use the downloaded material a specified number of times, etc.

A consumer usually had the right to make archival copies of the downloaded material. However, a consumer usually was unable or unwilling to make archival copies, since the copies usually required a large amount of backup memory space and/or were a hassle to make. If archival copies of the downloaded material were not made and the consumer's computer files were corrupted or the consumer's computer crashed, the consumer may not have been able to retrieve the downloaded material, because the provider web site of the downloaded material was no longer available, or the content comprising the downloaded material was no longer available.

Digital Rights Management (DRM) systems have been developed to control a user's accesses to the items stored in the system. Current DRM systems do not archive downloaded material purchased by the consumer.

## **B. APPELLANTS' CLAIMED INVENTION**

1. Claim 1, the only independent method claim in this patent application, relates to a method for handling material. More particularly, claim 1 includes the following steps: c) determining whether or not there is an existing copy of the protected material; d) storing an existing copy of the protected material from a plurality of sources of the protected material automatically for archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer; and e) creating a pointer for the consumer to point to the stored archival material.

Appellants' invention is a method that enables material to be automatically backed up when the material is downloaded at a site remote from the consumer.

This invention provides a "virtual bookshelf" for users of a Digital Rights Management (DRM) system. The present invention lists the purchased material and/or material that the consumer has a right to use. The invention automatically backs up the consumer's material when it is downloaded; provides for the retrieval and/or synchronization of the material on a computer or other device; provides for the rights-based sharing of the material; and the ability to recommend or transfer the material to a third party with or without financial consideration. The automatic archiving of material is advantageous over conventional media inasmuch as the archival copy is always available, i.e., VHS tapes may break rendering the tape useless and destroying what is on the tape.

A consumer is able to create a "virtual bookshelf" of the purchased material and/or material that the consumer has a right to use that parallels bookshelves in the real world.

The following method is shown in Figs. 2A – 2C, and line 7 of page 4 to line 13 of page 6 of s' Patent Application. A copy Figs. 2A – 2C appears next to this page. Figs. 2A - 2C is a flow chart showing the automatic backup of material when the material is loaded or downloaded into computer 11. The consumer selects a secure file to be opened in step 100. The secure file may be delivered to computer 11 via any media, i.e., networks, diskettes, CDs, memory devices, etc. Upon opening the secured file in step 110, previously installed software in computer 11, in the form of a browser plug in or other associated application, is activated by the opening application, i.e., a browser, the operating system, or any other application including media rendering programs. In step 120, digital rights management software conducts the purchase process which grants the user the rights to render the material and an audit record that indicates the above transaction to be created and written to cache in step 160. The digital rights management software may be obtained from Intertrust Technologies Corporation of 4750 Patrick Henry Drive, Santa Clara, California 9504.

The DRM software in step 130 determines whether or not computer 11 is connected to the Internet. If consumer computer 11 is not connected to the Internet at the time of purchase, i.e., purchasing material from a CD offline, the digital management software will wait until a connection to the Internet is achieved in step 140. Once computer 11 is linked to the Internet, the audit record is transmitted to clearinghouse server 14 in step 160. In step 162 server 14 will process the audit record. In step 165 server 14 processes any requests for material stored on computer 11 to be transferred to sever 14 and synchronized with the stored files in archive 15. After the processing is complete the program ends.

Fig. 2B describes the process performed by server 14 in block 162 (Fig. 5A). In step 170, clearinghouse server 14 receives and records the audit record. In step 180 the audit record is written in a database. In step 190, the reception of the audit record causes server 14 to activate an asynchronous computer routine that reads the record and searches the database of previously stored material to find a match. Step 210 determines whether or not the material has already been stored in archive 15, i.e., another consumer has purchased the material and the material has previously been stored in server 14, etc. Material which has been previously stored in archive 15 or the material which has been preloaded by a content provider in anticipation of future purchases is retained in the form secured by the DRM system. If the material has been previously stored in server 14, the next step will be step 215. Step 215 will update the virtual bookshelf 30 database record for computer 11 to point to the previously stored copy of the material. The virtual bookshelf 30 database will then be updated in step 220. The program will end at this point. If step 210 determines that the material has not been previously stored in server 14, the next step will be step 211.

Step 211 determines whether or not the material may be retrieved from a provider of material, which could be content provider web site 13. If step 211 determines that the material may not be retrieved from a provider of material, the next step will be step 240. Step 240 will determine whether or not computer 11 is online. If step 240 determines that computer 11 is online, the next step will be step 250. Step 250 will retrieve the material from computer 11 and store the material in archive 15 (Fig.



1). The next step will be step 215, where the virtual bookshelf 30 database will be updated. If step 240 determines that computer 11 is not online, the next step will be step 260 (Fig. 2C). Step 260 will create a transfer record and stage in outbound queue on server 14. The next step may be step 270, where computer 11 is connected to the Internet. In step 280, the transfer record is processed, and the material is transferred from computer 11 to archive 15. At this point, step 162 will be exited.

If step 211 determines that the material may be retrieved from a material provider, the next step will be step 230. Step 230 will retrieve the material and store the material in archive 15 (Fig. 1). The virtual bookshelf 30 database will then be updated in step 215. Server 14 may make available the material stored in archive 15 by displaying an index of the material in virtual bookshelf 30.

2. Claim 6, depends on claim 1 and ads the following step to the method claimed in claim 1, namely, transferring the consumer's rights to the material to a third party. Claim 7, ads the following step to the method claimed in claim 6, namely, archiving automatically the transferred material for the third party at a site remote from the third party.

The above feature of Appellants' claimed invention is described on page 9 lines 11- 21 of Appellants' Patent Application which reads as follows: "Fig. 6 is a flow chart describing the transfer of material. In step 300, consumer computer 11 elects to sell or transfer material. In step 310, the rights that computer 11 has to the material are transferred from consumer computer 11 current rights data base 315 which is located in computer 11 to the stored rights data base 317 which is located in server 14. In step 318, the consumer computer 11 virtual bookshelf 30 entry is annotated "for sale" or "for transfer". The aforementioned annotation is entered in the virtual bookshelf 30 database in step 220. In step 320, the material indicated for sale and/or transfer is posted to a web server. Then in step 330, a purchaser or recipient, i.e., the owner of computer 16 buys or is given the rights that consumer computer 11 is willing to transfer to the material."

3. Claim 10, depends on claim 1 and ads the following step to the method claimed in claim 1, namely, transferring a portion of the consumer's rights to the

material to a third party. Claim 11, adds the following step to the method claimed in claim 10, namely, transferring the consumer's rights to the material to a third party.

The above feature of Appellants' claimed invention is described on page 10 lines 7- 12 of Appellants' Patent Application which reads as follows: "The material transferred from computer 11 to computer 16 may be all of the rights to the material that the owner of computer 11 has or a portion of the rights that the owner of computer 11 has to the material. For instance, the owner of computer 11 may grant the user of computer 16 the right to use the material a specified number of times, according to the rights that the owner of computer 11 has to the material or to use the material for a specified time period."

4. Claim 19, the only independent system claim in this patent application, relates to a system for managing digital rights and automatically purchasing digital content. More particularly, claim 19 includes the following element: b) an archive coupled to the clearinghouse that automatically backs up content represented by the transactions at the time the content was first purchased. The above feature of Appellants' claimed invention is described on line 11 of page 5 to line 3 of page 6 Appellants' Patent Application which reads as follows: "Fig. 2B describes the process performed by server 14 in block 162 (Fig. 5A). In step 170, clearinghouse server 14 receives and records the audit record. In step 180 the audit record is written in a database. In step 190, the reception of the audit record causes server 14 to activate an asynchronous computer routine that reads the record and searches the database of previously stored material to find a match. Step 210 determines whether or not the material has already been stored in archive 15, i.e. another consumer has purchased the material and the material has previously been stored in server 14, etc. Material which has been previously stored in archive 15 or the material which has been preloaded by a content provider in anticipation of future purchases is retained in the form secured by the DRM system. If the material has been previously stored in server 14, the next step will be step 215. Step 215 will update the virtual bookshelf 30 database record for computer 11 to point to the previously stored copy of the material. The virtual bookshelf 30 database will then be updated in step 220. The program will

end at this point. If step 210 determines that the material has not been previously stored in server 14, the next step will be step 211.

## **VI. ISSUES**

A. Whether or not claim 1 is patentable under 35 U.S.C. §103(a) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).

B. Whether or not claims 6 and 7 are patentable under 35 U.S.C. §103(a) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).

C. Whether or not claims 10 and 11 are patentable under 35 U.S.C. §103(a) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).

D. Whether or not claim 19 is patentable under 35 U.S.C. §103(a) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).

## **VII. GROUPING OF CLAIMS**

- A. Claim 1 stands or falls by itself.
- B. Claims 6 and 7 stand or fall together.
- C. Claims 10 and 11 stand or fall together.
- D. Claim 19 stands or falls by itself.

## **VIII. ARGUMENT**

A. **Claim 1 has been rejected by the Examiner under 35 USC §103(a) as being obvious over Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).**

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the

composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g., a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work."

Stefik discloses the following in lines 1-31 of column 4:

"A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure (e.g. a tree structure.) For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part.

Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial

access can be granted only to those individual digital works which grant access."

Stefik discloses the following in lines 34-48 of column 6:

"In any event, Repository 1 checks the usage rights associated with the digital work to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a right associated with the access request has been attached to the digital work and if all conditions associated with the right are satisfied. If the access is denied, repository 1 terminates the session with an error message, step 106. If access is granted, repository 1 transmits the digital work to repository 2, step 107. Once the digital work has been transmitted to repository 2, repository 1 and 2 each generate billing information for the access which is transmitted to a credit server, step 108. Such double billing reporting is done to insure against attempts to circumvent the billing process."

No archival copy is made between Stefik's steps 107 and 108 of Fig. 1. If Stefik's repository 1 fails and Stefik's repository 2 fails, the user is unable to obtain an archival copy of the material the user previously purchased. Furthermore, there is a chance that a copy of the protected material will be in repository 1 or repository 2. However, the possibility exists that there would not be a copy of the protected material when the consumer wants an archival copy of material for which the consumer has previously paid.

The Examiner stated on page 3 of the October 12, 2004, Final Rejection the following: "Stefik fails to explicitly disclose the steps of determining whether or not there is a existing copy of the protected material, and storing an existing copy of the protected material (or digital work) from a plurality of sources of the protected material automatically of archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer. Masuda discloses a back-up recovery copies to provide disaster recovery."

Masuda, et al. discloses the following in column 2, lines 61-67:

"Broadly, the present invention provides an integrated DBMS solution to recover a primary site database based upon maintenance of a shadow copy of the primary site's database at a remote site. Both the primary site DBMS and the remote site DBMS support write-ahead logging protocol in which log records are written to a log data set before database updates are entered into external storage.

The remote site is initialized as a mirror image of the primary site by transmitting all database data and recovery logs from the primary site to the remote site. After initialization, the primary site periodically starts and stops the remote site as a tracker system to keep the shadow copy up-to-date using database recovery logs and data shipped from the primary site. When started as a "tracker," the remote DBMS logs are initialized, system data is rebuilt, and transaction status is determined.

Whenever the tracker system is restarted, an end log point is specified that is used as the log scan ending point for all data recovery done during the current recovery cycle. This end log point is recorded in the shadow database after each data recovery and is used as the log scan starting point for the next recovery cycle when the tracker function is restarted with a new set of logs received from the primary site. In order to maintain the shadow database, if a LOG (NO) is encountered - if an image copy of a database data set is either reorganized or LOAD-replaced - the primary site must transmit a new image copy of the database data set from the time of the last tracker restart.

When a disaster occurs at the primary site, the remote site becomes the takeover site. When restarting the remote DBMS as a take-over system, the primary site's logs are used to implement a normal three-phase system restart. The logs from the last system checkpoint are scanned to determine the transaction status at the time of the system failure, and to determine the earliest point in the log that the recovery function will need to process for a forward log recovery phase. The remote DBMS log initialization and transaction status is also determined by Forward Log Recovery (FLR) and Backward Log Recovery (BLR) phases are executed.

In essence, Masuda is creating a mere copy of the existing data. Then, Masuda utilizes a tracker at a remote site to maintain up-to-date recovery logs and data that is shipped from the primary site. Masuda is backing up data from a primary and exclusive

site of data and only contemplates a primary and exclusive site for the data. Appellants' consumer's resources are not ordinarily burdened in obtaining back up data; whereas, Masuda burdens the primary system for all data which is analogous to Appellants' consumer.

Masuda discloses the following in line 57, column 4 to line 6, column 5:

"Each client system **102** creates original user data files, or client files, which are stored within the corresponding client system if the client system is provided with a storage system. Regardless, the client systems **102** transfer client files to the primary site **103**. Transferring client files to the primary site **103** inherently provides a backup mechanism within the server for original client files stored within the client system. The storage manager **104** directs the client file to a storage device, or storage volume, within a primary storage pool **110**. The primary storage pool stores a primary copy of the client files. The storage manager **104** maintains a log **105** within the server database **106** listing the files stored within the primary storage pool **110** and the cache **130** of the primary site **103**. Once the client file is stored within a primary storage pool **110**, the storage manager **104** updates the server database **106** and logs the updates in log **105** at the primary site **103**."

Masuda backs up everything arbitrarily, whereas in Appellants' claim 1, steps (b) and (d), Appellants only make a copy of the protected material when the bookshelf is informed that the protected material was first obtained by the consumer. Thus, Appellants only make a copy if there is not a copy on the bookshelf.

Neither Stefik nor Masuda, taken separately or together, discloses or anticipates automatically making an archival copy of the protected material at a site remote from the consumer. The foregoing is claimed in steps c) and d) of claim 1, as amended, which read as follows: c) determining whether or not there is an existing copy of the protected material; d) storing an existing copy of the protected material from a plurality of sources of the protected material automatically for archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer.

Steps c) and d) of claim 1, as amended, provide for the situation when the site that sold the digital rights protected content stops vending the material for any reason, and the digital rights protected material on the consumer's computer is lost or damaged. For instance, theft of the consumer's computer, damage to the computer, or computer

storage medium, computer crashes, etc. In Appellants' claimed invention the consumer will be able to obtain an archival copy of the material. This is unlike other back up technology in that it happens automatically at a remote site at the time the material was first obtained by the consumer.

Furthermore, neither Stefik nor Masuda, taken separately or together, discloses step e) of claim 1, as amended, namely: e) creating a pointer for the consumer to point to the stored archival material.

Appellants' pointer does not point to the digital work. Appellants' pointer points to the stored archival material.

Notwithstanding the foregoing, in rejecting a claim under 35 USC §103, the Examiner is charged with the initial burden for providing a factual basis to support the obviousness conclusion. *In re Warner*, 379 F.2d 1011, 154 USPQ 173 (CCPA 1967); *in re Lunsford*, 375 F.2d 385, 148 USPQ 721 (CCPA 1966); *in re Freed*, 425 F.2d 785, 165 USPQ 570 (CCPA 1970). The Examiner is also required to explain how and why one having ordinary skill in the art would have been led to modify an applied reference and/or combine applied references to arrive at the claimed invention. *In re Ochiai*, 37 USPQ 2d 1127 (Fed. Cir. 1995); *in re Deuel*, 51 F.3d, 1552, 34 USPQ 1210 (Fed. Cir. 1995); *in re Fritch*, 972 F.2d 1260, 23 USPQ 1780 (Fed. Cir. 1992); *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). In establishing the requisite motivation, it has been consistently held that both the suggestion and reasonable expectation of success must stem from the prior art itself, as a whole. *In re Ochiai*, *supra*; *in re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991); *in re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *in re Dow Chemical Co.*, 837 F.2d 469, 5 USPQ2d 1529 (Fed. Cir. 1988).

**B. Claims 6 and 7 have been rejected by the Examiner under 35 USC §103(a) as being obvious over Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).**



In addition to the arguments made in above Section A, please consider the following. Claim 6 adds the following step to the method claimed in claim 1, transferring the consumer's rights to the material to a third party.

Claim 7 adds the following step to the method claimed in claim 6, archiving automatically the transferred material for the third party at a site remote from the third party.

The Examiner stated in page 5 of the Final Rejection: "As per claims 6 and 7 Stefik discloses the claimed method of transferring the consumer's rights to the material to a third party (see Fig. 1 item 105 or third party, digital work to determine if access may be granted, and also col. 2, lines 1-23, col. 4, lines 15-32)."

Stefik discloses the following in col. 2, lines 1-23.

"A system for ensuring that licenses are in place for using licensed products is described in PCT Publication WO 93/01550 to Griswold entitled "License Management System and Method." The licensed product may be any electronically published work but is most effective for use with works that are used for extended periods of time such as software programs. Griswold requires that the licenses product contain software to invoke a license check monitor at predetermined time internals. The license check monitor generates request datagrams which identify the licensee. The request datagrams are sent to a license control system over an appropriate communication facility. The license control system then checks the datagram to determine if the datagram is from a valid licensee. The license control system then sends a reply datagram to the licensed check monitor indicating denial or approval of usage. The license control system will deny usage in the event that request datagrams go unanswered after a predetermined period of time (which may indicate an unauthorized attempt to use the licensed product). In this system, usage is managed at a central location by the response datagrams. So for example if license fees have not been paid, access to the licensed product is terminated.

Stefik discloses the following in col. 4, lines 15-32.

"Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to

requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial access can be granted only to those individual digital works which grant access."

The art cited by the Examiner does not disclose or anticipate transferring the consumer's rights to the material to a third party or automatically archiving the transferred material for the third party at a site remote from the third party.

**C. Claims 10 and 11 have been rejected by the Examiner under 35 USC §103(a) as being obvious over Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).**

In addition to the arguments made in above Section A, please consider the following. Claim 10 adds the following step to the method claimed in claim 1, transferring a portion of the consumer's rights to the material to a third party.

Claim 11 adds the following step to the method claimed in claim 10, transferring the consumer's rights to the material to a third party.

The Examiner stated in page 5 of the Final Rejection: "As per claims 10 and 11 Stefik discloses the claimed method of transferring a portion of the consumer's rights to the material to a third party (see Fig. 7, item 701) that has two parts: a first part is a unique number assigned to the repository or portion of the consumer's rights, and a second part is a unique number assigned to the work upon creation, and therefore, it is inherent to realize that the first part or portion is a unique number for consumer's rights, col. 9, lines 1 – 14."

Stefik discloses the following in col. 9, lines 1 – 14.

"...pointing to a parent d-clock and child points 706 for pointing to the child d-blocks. In the currently preferred embodiment, the identifier 701 has two parts. The first part is a unique number assigned to the repository upon manufacture. The second part is a unique number

assigned to the work upon creation. The rights portion 704 will contain a data structure, such as a look-up table, wherein the various information associated with a right is maintained. The information required by the respective usage rights is described in more detail below. D-blocks form a strict hierarchy. The top d-block of a work has no parent; all other d-blocks have one parent. The relationship of usage rights between parent and child d-blocks and how conflicts are resolved is described below."

The art cited by the Examiner does not disclose or anticipate transferring a portion of the consumer's rights or the consumer's rights to the material to a third party.

**D. Claim 19 has been rejected by the Examiner under 35 USC §103(a) as being obvious over Stefik, et al. (U.S. Patent No. 5,638,443) in view of Masuda, et al. (U.S. Patent No. 6,226,651).**

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work."

Stefik discloses the following in lines 1-31 of column 4:

"A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized

in an acyclic structure (e.g. a tree structure.) For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part.

Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial access can be granted only to those individual digital works which grant access."

Stefik discloses the following in lines 34-48 of column 6:

"In any event, Repository 1 checks the usage rights associated with the digital work to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a right associated with the access request has been attached to the digital work and if all conditions associated with the right are satisfied. If the access is denied, repository 1 terminates the session with an error message, step 106. If access is granted, repository 1 transmits the digital work to repository 2, step 107. Once the digital work has been transmitted to repository 2, repository 1 and 2 each generate billing information for the access which is transmitted to a credit server, step 108. Such double billing reporting is done to insure against attempts to circumvent the billing process."

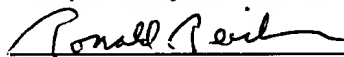
Serial No. 09/704,864  
Appellants' Brief: February 17, 2005  
Attorney Docket: F-206

Stefik does not disclose or anticipate step b) of claim 19. Step b) of claim 19 reads as follows: b) an archive coupled to the clearinghouse that automatically backs up content represented by the transactions at the time the content was first purchased.

#### **IX. PRAYER FOR RELIEF**

Appellants respectfully submit that appealed claims 1-19 in this Application are patentable. It is requested that the Board of Appeal overrule the Examiner and direct allowance of the rejected claims.

Respectfully submitted,



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## **APPENDIX A – CLAIMS IN THE APPEAL**

1. A method for handling material, the method comprising the steps of:
  - a) obtaining digital rights management protected material for a consumer;
  - b) informing a bookshelf that the protected material was obtained;
  - c) determining whether or not there is an existing copy of the protected material;
  - d) storing an existing copy of the protected material from a plurality of sources of the protected material automatically for archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer; and
  - e) creating a pointer for the consumer to point to the stored archival material.
2. The method claimed in claim 1, wherein the existing copy of the protected material is obtained from the provider of the material.
3. The method claimed in claim 1, wherein the existing copy of the protected material is obtained from the vendor of the material.
4. The method claimed in claim 1, wherein the existing copy of the protected material is obtained from the consumer of the material.

5. The method claimed in claim 1, wherein the pointer is located in a bookshelf.
6. The method claimed in claim 1, further including the step of:  
transferring the consumer's rights to the material to a third party.
7. The method claimed in claim 6, further including the step of:  
archiving automatically the transferred material for the third party at a site remote  
from the third party.
8. The method claimed in claim 7, further including the step of:  
creating a pointer for the consumer to point to the transferred archival material.
9. The method claimed in claim 8, further including the step of:  
creating a pointer for the third party to point to the transferred archival material.
10. The method claimed in claim 1, further including the step of: transferring a  
portion of the consumer's rights to the material to a third party.
11. The method claimed in claim 10, further including the step of: transferring the  
consumer's rights to the material to a third party.

12. The method claimed in claim 11, further including the step of:  
archiving automatically the transferred material for the third party at a site remote from the third party.
13. The method claimed in claim 11, further including the step of:  
creating a pointer for the consumer to point to the transferred archival material.
14. The method claimed in claim 1, further including the step of: retrieving a copy of the protected material.
15. The method claimed in claim 1, further including the step of: loaning the material to a third party.
16. The method claimed in claim 15, further including the step of:  
archiving automatically the loaned material for the third party at a site remote from the third party.
17. The method claimed in claim 16, further including the step of:  
creating a pointer for the consumer to point to the loaned archival material.
18. The method claimed in claim 16, further including the step of:  
creating a pointer for the party to point to the loaned archival material.



19. A system for managing digital rights and automatically purchasing digital content, said system comprising;

- a) a digital rights clearinghouse that records transactions;
- b) an archive coupled to the clearinghouse that automatically backs up content represented by the transactions at the time the content was first purchased; and
- c) a plurality of computers coupled to the clearinghouse and the archive that acquire digital rights to the managed content.



FIG. 2A

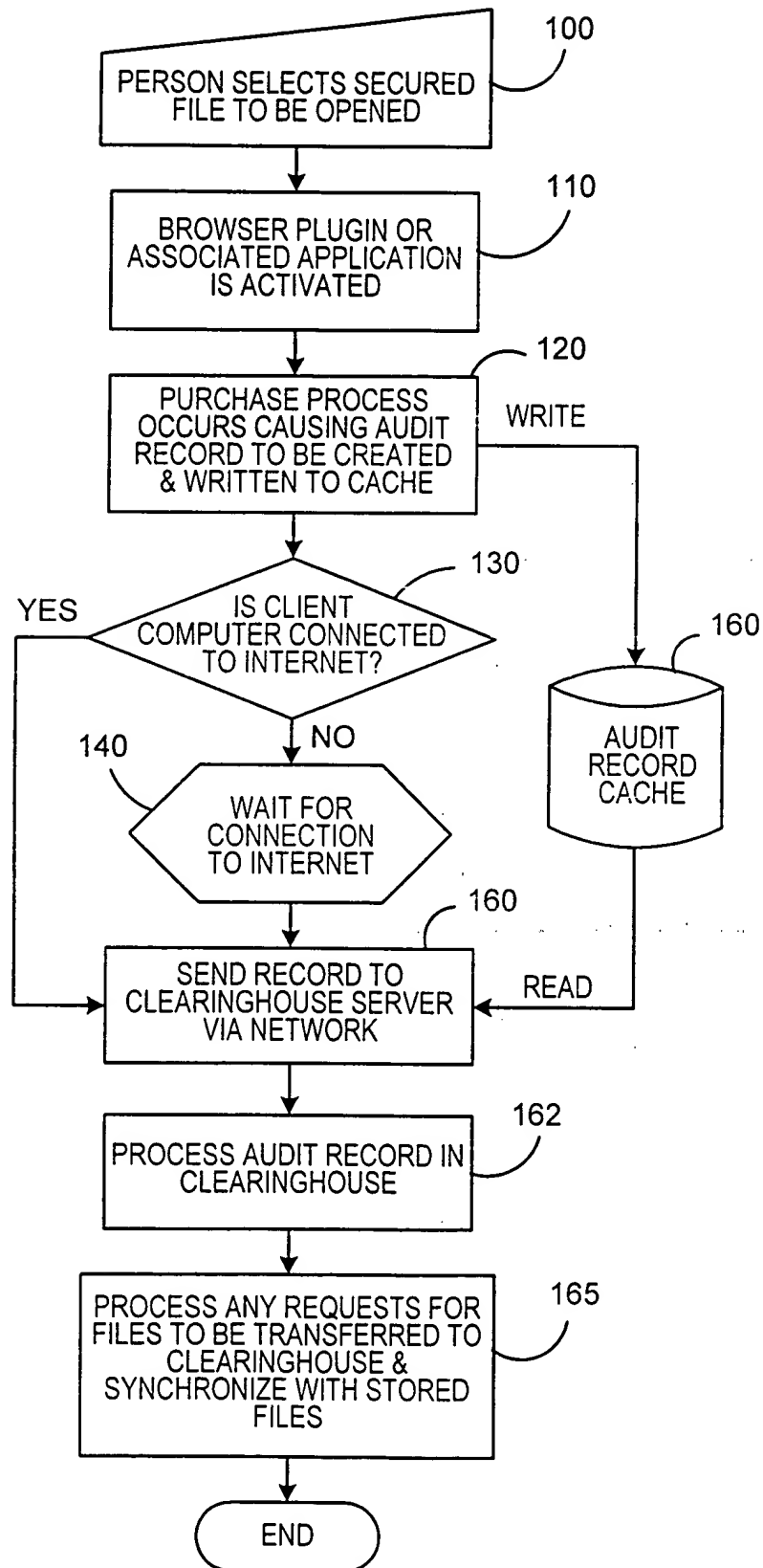




FIG. 2B

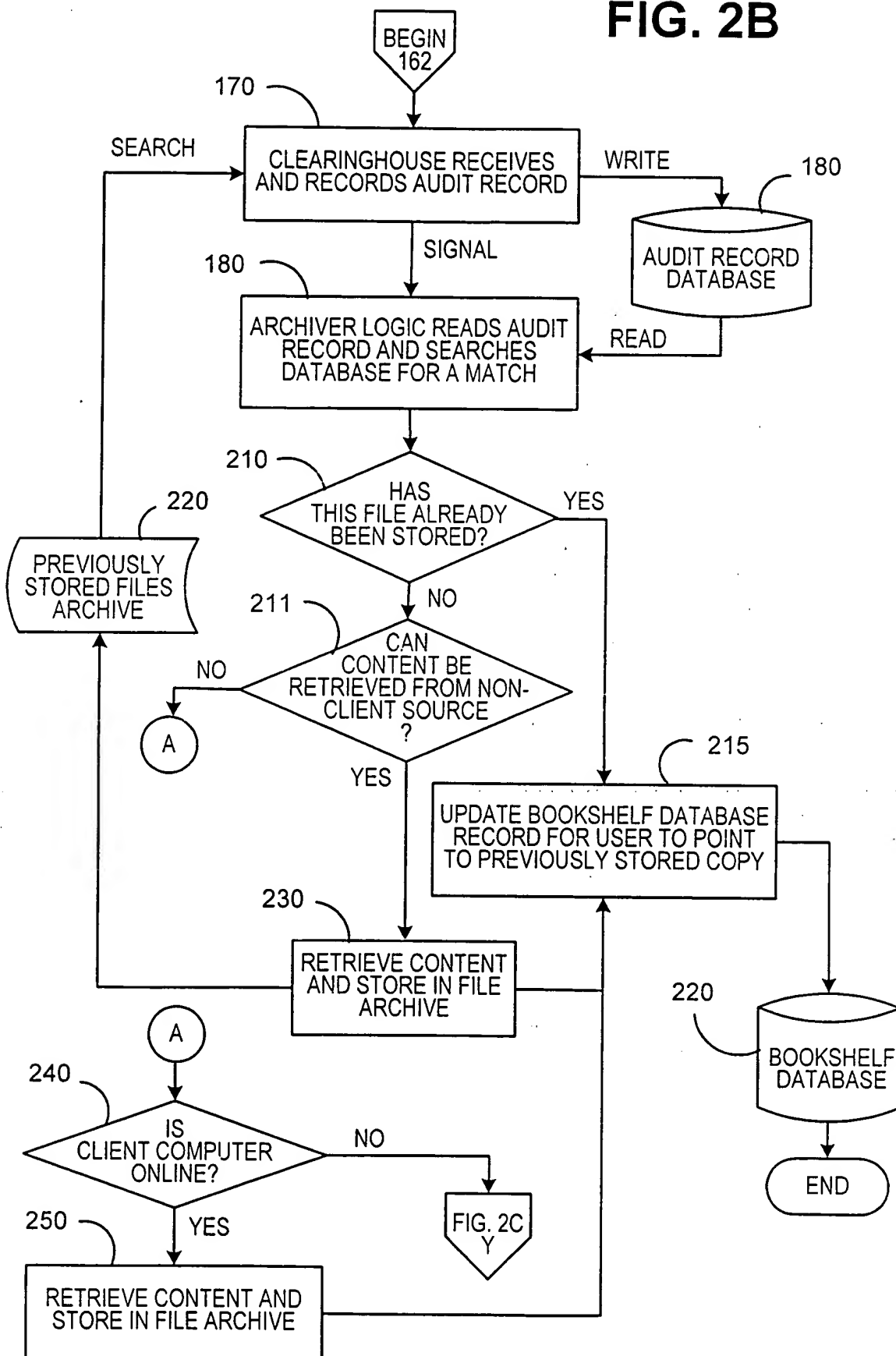




FIG. 2C

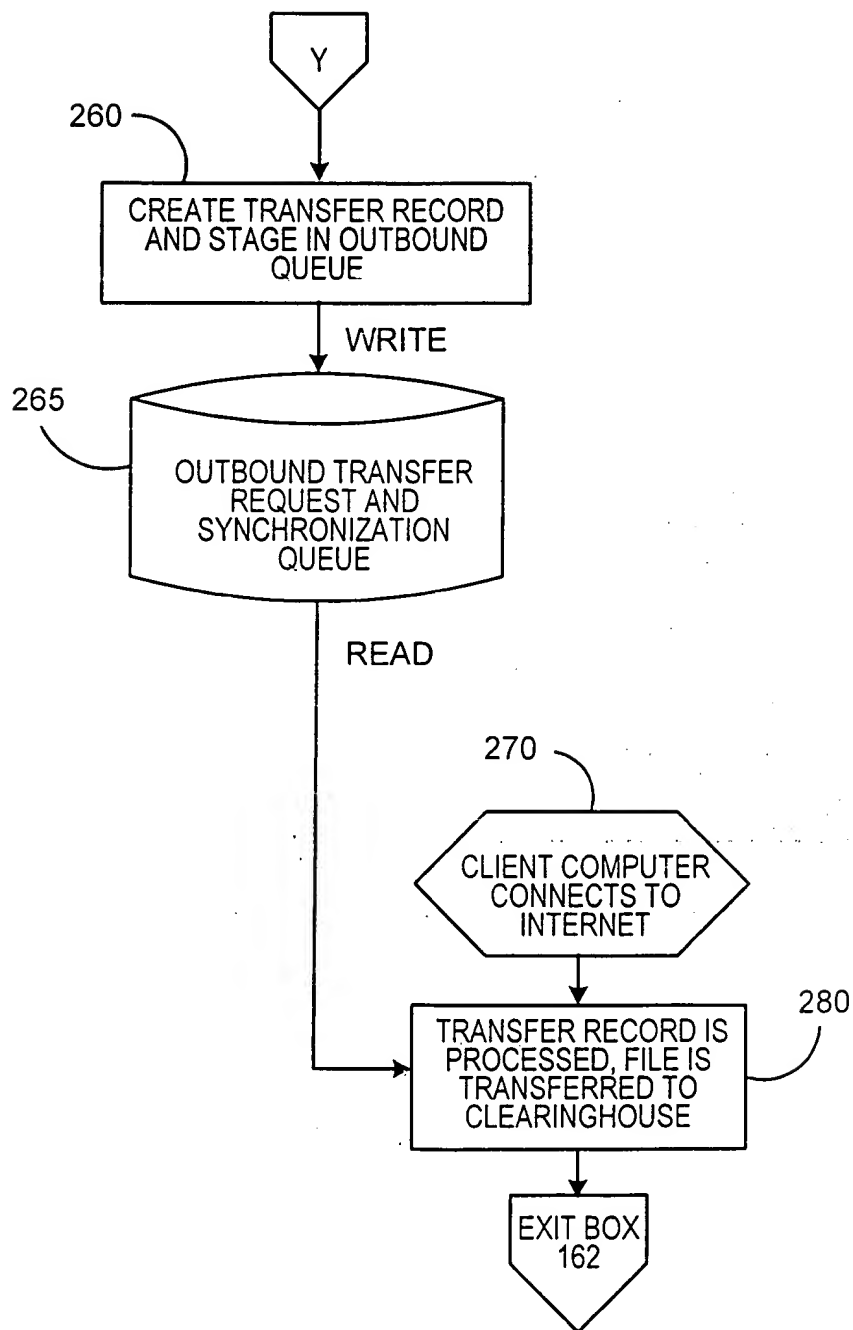


FIG. 2A

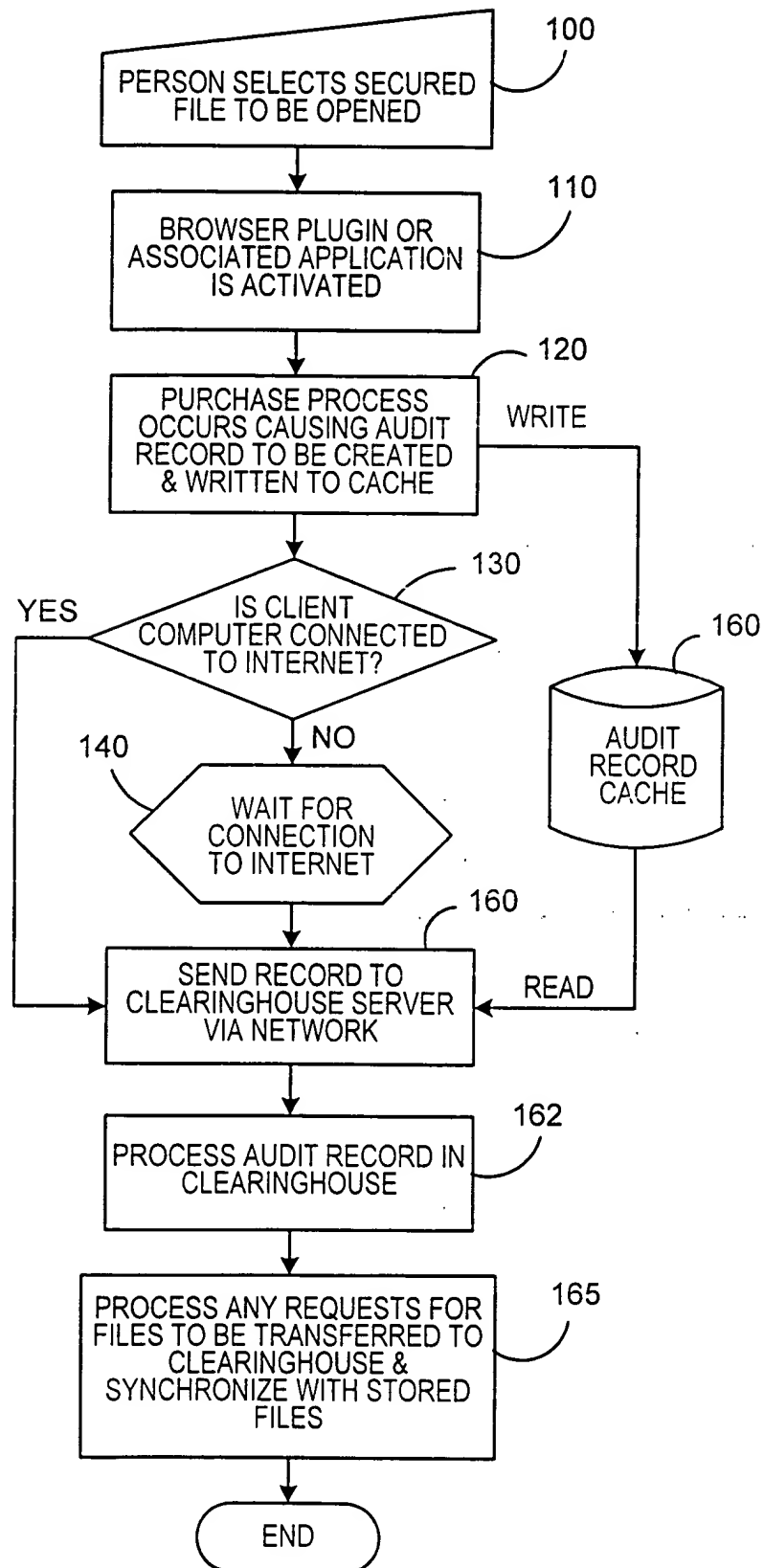


FIG. 2B

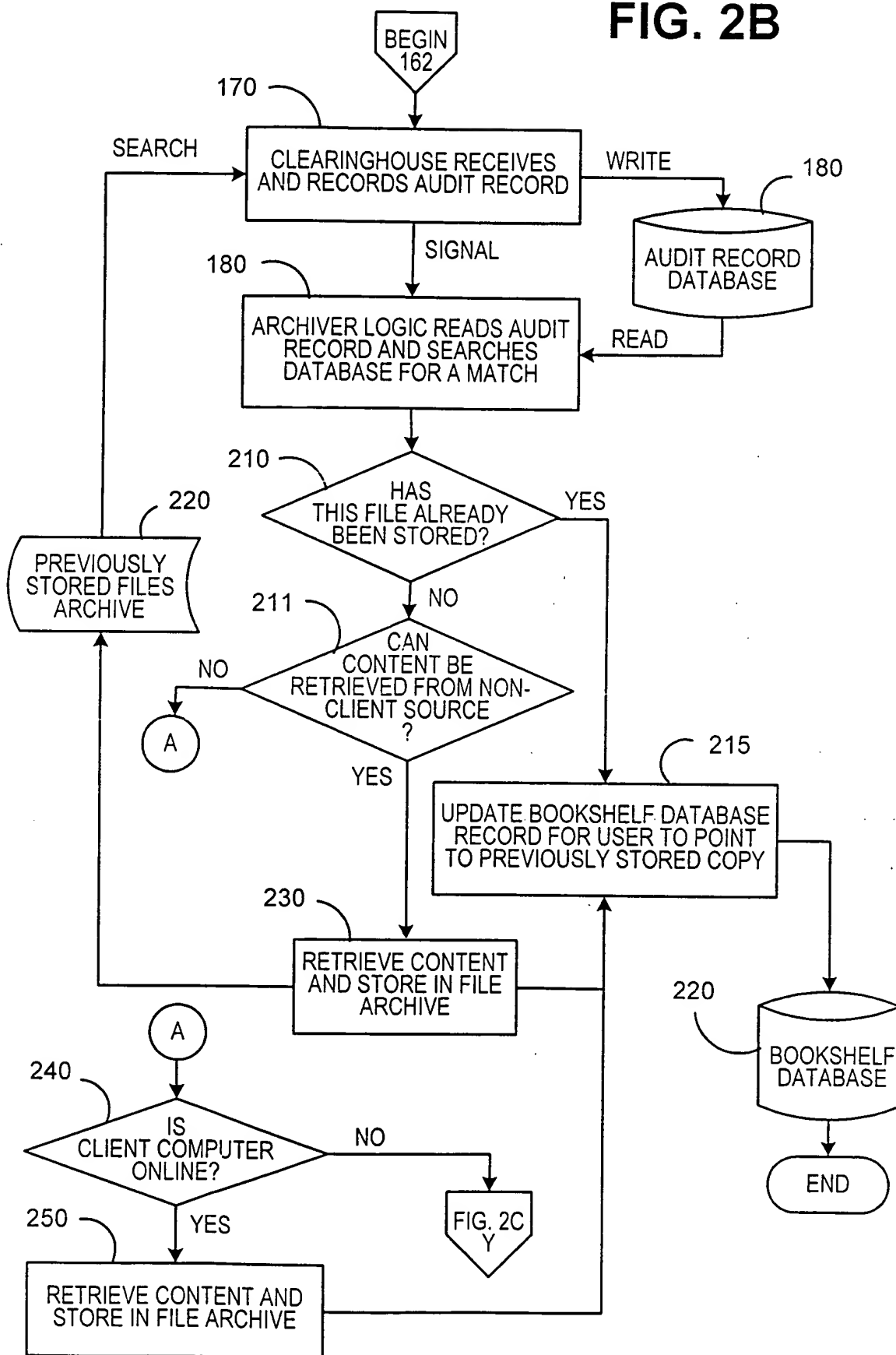




FIG. 2C

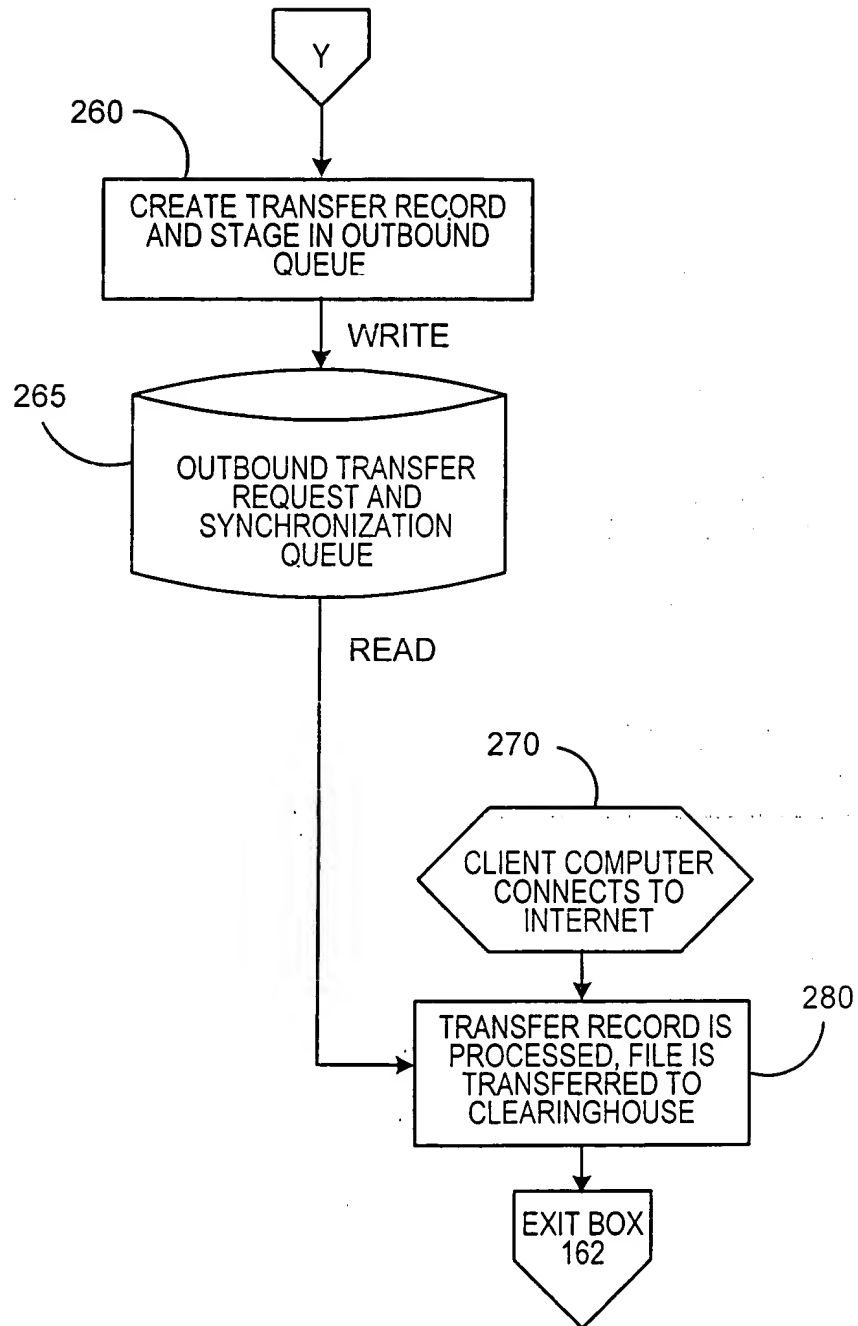


FIG. 2A

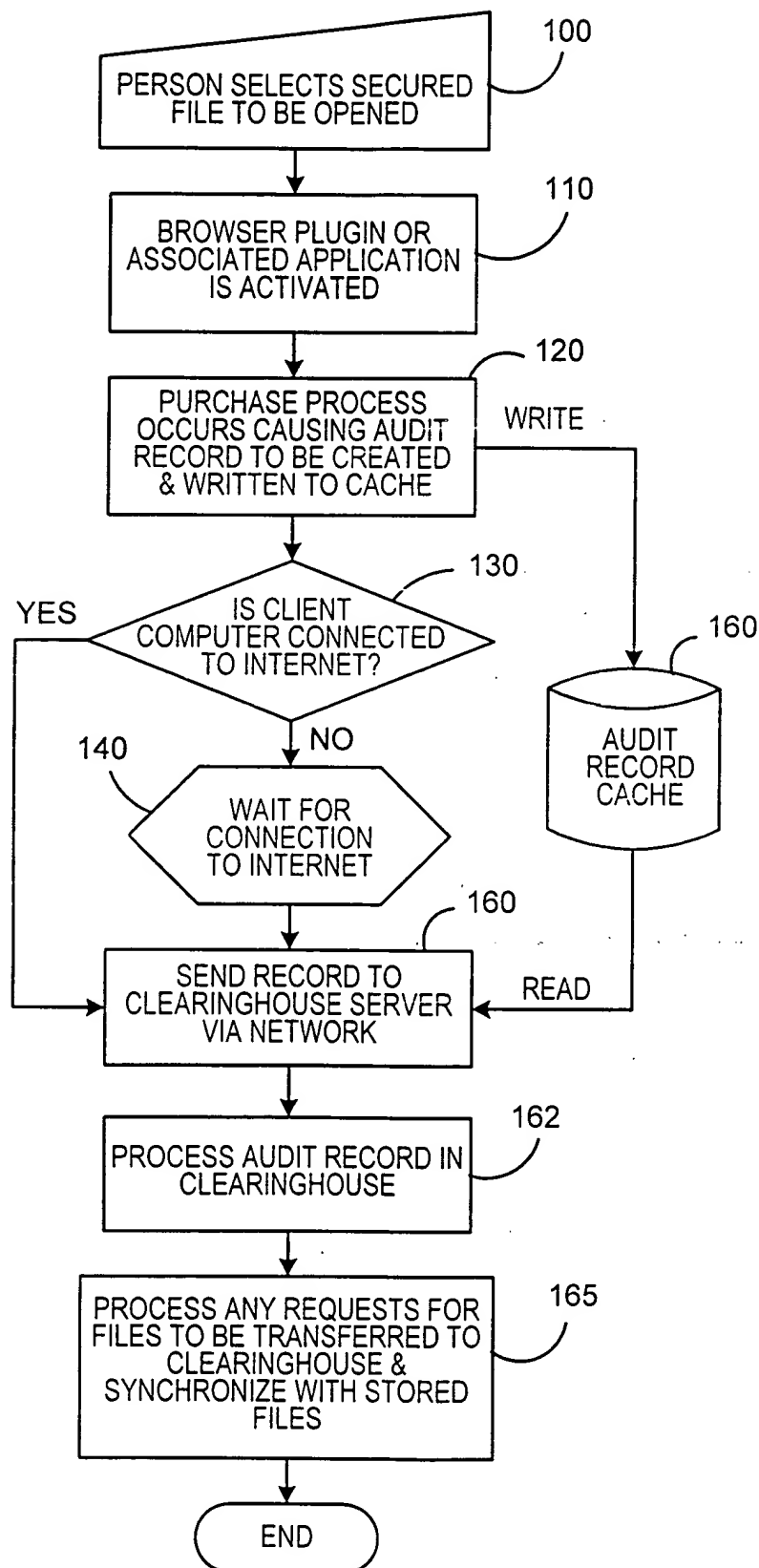




FIG. 2B

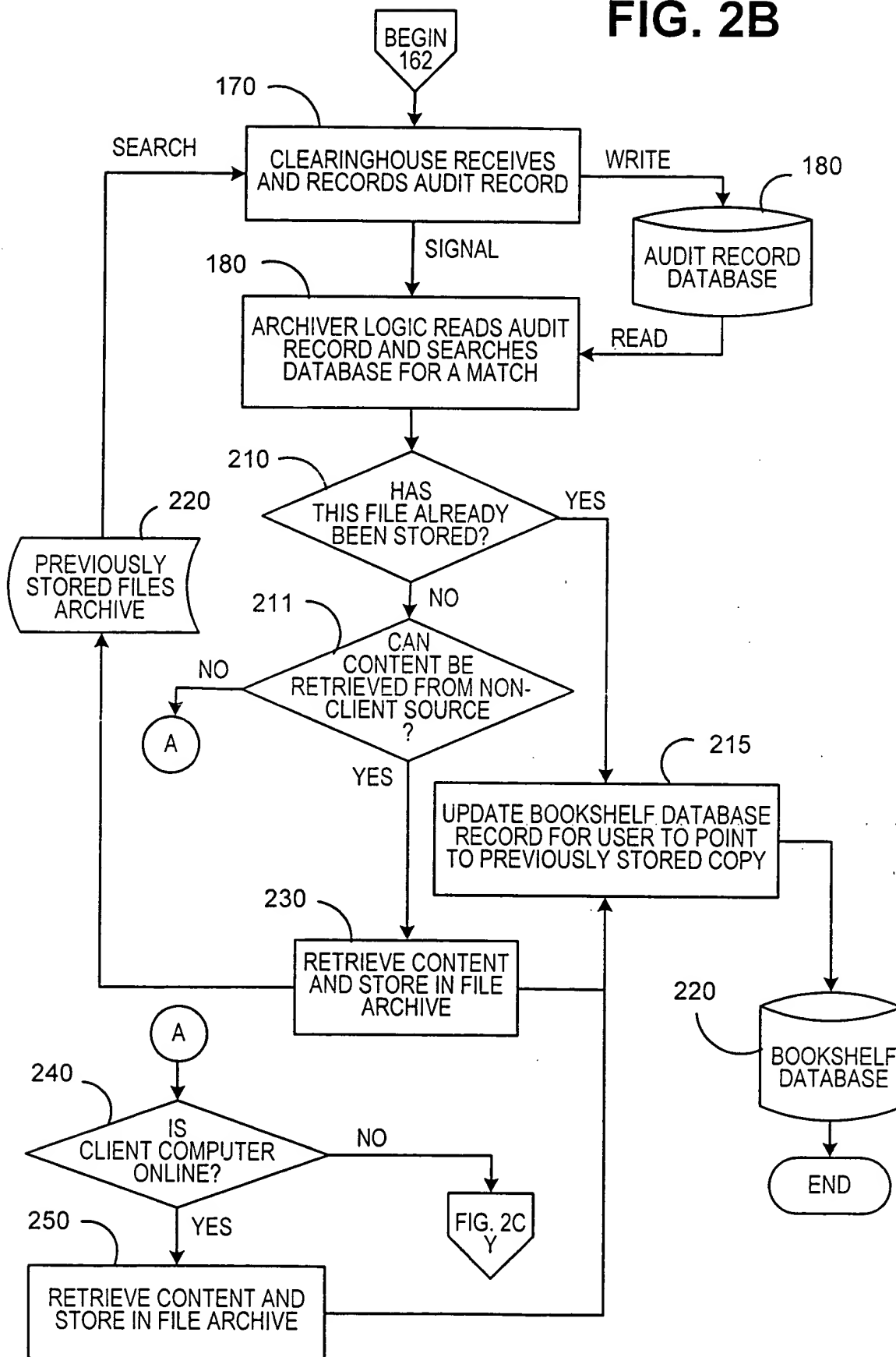




FIG. 2C

